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FOR IMMEDIATE RELEASE

SALE OF PRODUCTS PROMOTED AS *COMMERCIAL PAPER* OR *NOTES*

FRANKFORT, KY (April 6, 1999) — The Department of Financial Institutions has recently opened several investigations involving the sale of products being promoted as ***commercial paper*** or ***notes*** that in reality are not legitimate commercial paper. The sale of these ***notes*** is in violation of Kentucky securities laws. Many of the investigations by the Department of Financial Institutions have revealed these ***notes*** being sold by insurance agents who have been encouraged to market them by out-of-state commercial marketing firms who are not properly advising the agents of their legal obligations under the securities laws. These notes are not exempt securities and are in fact, subject to a high degree of securities regulation. Agents should also be aware that in many instances the firms offering these ***notes*** are highly speculative start-up operations or entirely bogus enterprises.

The consequences for selling these unlicensed products include civil penalties and fines, and repayment of the full investment plus interest to clients who purchased the product. If you are approached to market a product that meets this description please contact Marion Lewis, Department of Financial Institutions (800) 223-2579 or Ron Kreiter, Department of Insurance (800) 595-6053 to confirm appropriate registrations under the securities laws have been met.